

STORIES of WALL STREET

The Matrimony Syndicate

By JAMES H. GANNON, Jr.

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AMONG the many deals, always spectacular and most times remunerative, engineered through the maze of Wall street by Joseph W. Barr—the Dick Turpin of Finance, as scandalized financiers insisted him to be—the one of which Barr himself was proud was that he ever referred to laughingly as the "corner in matrimony."

The street called it the "deal in Suburban Trolley," and ranked it among the lesser accomplishments of the daring western operator. But Barr, who had a more intimate knowledge and just appreciation of the details, clung to his "corner in matrimony," and placed it first.

Perhaps the fact that he shared the glory—and the spoils—with two partners, one of them the only woman, young or old, he ever enthused over, swayed his judgment.

At the beginning of the winter season, the stock exchange house of Willis, Barr & Co. had opened a branch office at Palm Beach for the convenience of its customers who were wintering at the Florida resort. John Marshall, whose father had been one of Barr's staunchest friends in the old Chicago days, was transferred from the New York office, where he had been placed by Barr after the father's death, in straitened circumstances, to the Palm Beach branch.

John Marshall, who was always "Young John" to Barr in spite of his six feet of aggressive manhood, had viewed this ostracism with conflicting emotions. While he recognized the opportunity presented, under Barr's keen eye, to prove his ability as manager of the office, a stepping-stone to higher place, there were personal reasons, which, however, were not entirely personal, since he believed them to be shared by one other, for which he would gladly have accepted New York, even as a winter resort.

To Palm Beach he went, feeling more or less like a martyr, but the season was hardly under way before he received a convincing proof of the virtue of self-denial. It was in the form of a note, in a wide, manly hand, from Elizabeth Rogers, the daughter of Morton Rogers, the president of the United Trust company, and head of the Urban Traction system, announcing her near departure for Palm Beach in company with her mother.

John's thoughts on receipt of the note underwent a series of fluctuations curiously like those of some harassed stock under the manipulation of Joseph W. Barr.

For Morton Rogers had views as to Elizabeth's future which had so far failed to run parallel with those of John. The president of the United Trust company, a bulwark of the old school of finance, had opinions of Joseph W. Barr which included, impartially, everyone connected with the western operator.

In his estimation anyone who accepted employ with Barr might fairly be regarded as one of the crew of a pirate, ready at the word of command to scuttle and quite sink the fairest ship afloat on the financial seas.

While all this was a matter of regret to John it troubled him less than it might have had Elizabeth seemed to take a different view of the situation. She was a young woman of riotous independence and determination, who might be counted on, under provocation, to take her father's stubborn will as she had often taken five bars in a fight across country with hounds.

She accepted the young westerner frankly as a good comrade. She liked him because he never sawed his mount's mouth into bleeding patches so that she might get in at the death first; he won if he could. He worked earnestly to beat her eighteen up on the links, although it was seldom more than two finally, for her drives and brassie shots were those of a St. Andrews professional.

On the night before his departure for Palm Beach, John had called on Elizabeth, and under the influence of the coming separation had spoken more freely than usual of their plight.

"It's no use, Bess," he said, finally, in mock despair, after they had touched lightly from many sides the parental firmness. "I've got to put through some kind of a deal that will establish me as the Napoleon of finance, and then I'll win recognition—I don't care for the money."

"I intend to be a syndicate member in that same deal," retorted Elizabeth. "Yes, it will be a syndicate of two—babe in the financial woods," said John. And they laughed, perhaps not quite heartily.

As it turned out, however, it was a syndicate of three, and as for the babes—it is difficult to believe that Joseph W. Barr ever tolerated swaddling clothes of any sort.

Three weeks after the arrival of Mrs. Rogers and Elizabeth at Palm Beach there came an unwelcome telegram from Morton Rogers. The banker was coming for a ten days' visit with his family. It was a message which

brought Elizabeth and John, incidentally, to the point of sedition.

Curiously enough, the coming of the banker was coincident with the arrival at the resort of two other financiers, Henry T. Wilson of Philadelphia and Andrew F. Raines of New York. Even more curious, however, was the fact that Messrs. Wilson and Raines were, with Morton Rogers, the important interests in the Urban Traction system.

This coincidence did not escape John, who telegraphed the news of the meeting of the traction men to Willis, Barr & Co. in the firm's cipher, and received an answer bidding him to be alert for developments. So far as John could learn, however, there was no prolonged conferences of the three men, although they were much together in public.

At the end of the appointed ten days the banker left for the north, and on the following day the young people, who had seen little of each other during his visit, shouldered their golf bags and set out for an afternoon on the links.

When they had holed out on the ninth green, Elizabeth, who had for some time been in the grip of a mood that puzzled John sorely, suggested that they rest for a moment. Once at ease on the soft turf she opened the pocket of her golf bag and withdrew from it with an air of mystery two little packets. Turning back the sleeves of her jersey, after the recognized canons of legerdemain, she held up the packets before John's wonder-filled eyes.

"I have here in my hands," she began, in the staccato of the variety stage, "two little packages—"

"Has anyone in the audience a high hat?" called John, bowing deeply to the amazed caddies, who were pitching pennies near by.

"One of them," continued Elizabeth, bestowing a withering look on the enthusiastic young man, "is a map of Westchester county, and the other a copy of a telegram sent by Morton Rogers of the Urban Traction system to the road's counsel—"

"Whew-o-o-o," whistled John, serious this time at least.

"Both of them," went on the girl, in the staccato voice, which was breaking just a little now, "my contribution to the syndicate that is to crown John Marshall as the young Napoleon of finance."

"Bess, what in the world do you mean—what does this mean?"

"It means I'm a traitor to my dad. Oh, John, isn't it horrible. But you must promise me one thing. I don't care about your old deals—I want you to get all the glory you can, because—well, just because—but I just insist that you promise not to make dad lose any money."

"I do promise," said John, very earnestly. "I promise even without knowing the consequences—even if I lose the glory."

"That's a good boy. Now you tell me what these things mean. I've puzzled over them for days."

"Why, the map shows the streets and roads of Westchester county—by Jove!—they've marked the line of the Suburban Trolley system in blue, and here's a long, red line from the terminus of the Suburban down Bingham avenue to—"

"Let's see the telegram, Bess. Um—That's right—listen: (Go ahead with Bingham franchise; (Signed)—M. R."

"That's it. The Urban is going to get a franchise to lay tracks up Bingham avenue to connect with the Suburban system—here where the blue line ends, Bess, see? The red line shows where the new road will run."

"That means they're going to buy out the Suburban, either in the open market or from the big holders privately. Maybe they've bought it already—"

"No," broke in the girl, who was looking over his shoulder. "I know they haven't bought it yet. They're waiting to see how the franchise is coming out. They're asking for it in the name of a fictitious company."

"Bess, I don't know about this. If anyone else knew what we know there would be trouble in plenty for the Urban—and your father. It's a pretty dangerous experiment—"

"You promised dad shouldn't lose anything. It's only fame we want, you know."

"Yes, but—by Jove!—I've got it. We'll send for Mr. Barr. We'll tell him frankly just why we want to put through this little deal—if you don't mind his knowing—about you and me, Bess. You know he was an old friend of my father. He'll help us out. He just pines for deals like this. He'll put it through without harming a hair of—"

"anybody's head. You don't mind his knowing, Bess, do you?"

"No-o. Not if you tell him—but that makes three in our syndicate," she added, with a pout.

"But he's only our broker—the syndicate's broker," declared John, laughingly. "Besides, if we went it alone we might end up by ruining your father. Whew-o-o-o," and he whistled

softly, awe-stricken at this phase of the deal.

Elizabeth's eyes twinkled mischievously as they rested on the woe-begone face of the young man. Then: "Sic semper tyrannis," she whispered, blushing tremendously.

"Bully," cried John—and the waiting caddies set off in high disgust at the unprofessional conduct of these two who pretended to play golf.

Joseph W. Barr tilted back his chair, adjusted his feet comfortably on the opened drawer of his desk and read for the third time a cipher message which the telegraph clerk of Willis, Barr & Co. had just brought in to him.

"It's from young John at Palm Beach, Willis," he explained to his partner. "The boy has stumbled into something in connection with Urban Traction, but he's devilish incoherent. Wants to come up here or me to come down there—personal," he says, and 'can't send details by wire.'"

"Why don't you run down to Palm Beach, Mr. Barr? You haven't had a day off in months. Perhaps the boy is lonesome—and he may have some news worth while."

"It'll do you good, anyway," added Willis. "There's nothing doing here just now."

"I'll do it," said Barr, with quick decision. And the same evening found him slipping away to the south.

With some confusion of words but with straightforward manliness, John told Barr the uttermost details of the "syndicate's" scheme. He did not fail to lay bare the real purpose of the deal, nor did he forget to mention his promise to Elizabeth that her father should suffer no actual loss.

He touched this part of his communication so tactfully that the egg-shaped little broker, who had been striving with increasing difficulty to keep countenance, finally broke into a gale of laughter.

John's face grew long. He was half inclined to be offended at such a reception of his plans. But little by little, as he watched breeze after breeze of mirth sweep his chief, the real humor of the whole situation bore in on him, and he was soon paying laugh for laugh.

"I can't help it, John. Damn—I just can't," cried Barr, mopping up the tears which coursed down his fat cheeks.

"Me—a buccaneer—a pirate—an old Captain Kidd—butting into a deal as Cupid. And money, money everywhere, and not a solitary white chip for me." And he went off into another spasm with John in close pursuit.

The eyes opened at last, shining with good will, and a fat, friendly hand went out to John.

"Young John," said the little broker, quietly, "you've got to have that girl; she's worthy your father's son. We'll put this thing through so ship-shape that old Rogers will be proud of both of you. For we'll buy the Suburban for him cheaper than he could get it himself; and I'll gamble he'll be a friend of mine, too, when it's all over. Now, that's enough of that. I want you to take me out and introduce me to the girl."

They found Elizabeth hidden away in a corner of the big piazza. She arose to meet them, and John began, a bit diffidently:

"This is Mr. Barr, Bess—Miss Rogers—"

"The syndicate's broker, Miss Rogers," interrupted Barr, with such a severely professional air that both the girl and John forgot the little awkwardness of the situation and laughed heartily with the little man.

When John left them a few minutes later they were deep in a discussion of the value of various girth cinches for cross-country work.

An hour passed, and Barr, arrayed in knickerbockers and a very jaunty golf cap, bustled into John's office.

"Where are your golf sticks, John?" He was almost breathless from his haste. "We've just time for eighteen holes before sunset."

"I'm sorry," began John, "but I've got these accounts to fix up—"

"Nobody's asked you to go," said Barr, grimly, grabbing the golf bag. "I've got to attend to some details of the syndicate matter with Miss Rogers. Does this cap look all right? Had to borrow it of the bell boy."

"Straight now—is it O. K.?" queried the little man, anxiously, pushing the cap from one ear to the other in an excess of zeal.

"It's fine," laughed John. "You look like the sultan of Sulu. By Jove! I'm getting jealous, I am."

"You'd better be," panted Barr. And John watched him hurry away to meet Elizabeth on the lawn. He made a sweeping bow, with the little cap in hand, to the laughing girl, and they passed from sight.

Barr came in to John at dinner that night all aglow with the exercise of the game.

"She beat me one up," he said, ruefully, as he solicitously tucked the napkin in around the expanse of linen exposed by his dinner coat. "One up—and by a girl, too; don't you ever tell that to John Willis—or her dad. I tell you, John, I feel like a new man. I'm half inclined to reform; to mend my wicked ways. If I thought there was one chance in a million of finding that fountain of youth that Ponce de Leon looked for around here I'd do it, too. I'd get in the running with wou. But you can't teach an old dog new tricks and I guess I'll have to stick by the old ones. We've got the black flag covered with white this trip, though, and we're going to make a swift voyage, and a rich one, for the girl and you—and I'll have my fun out of it."

"Damn—I'd like to bring up alongside that treasure ship of old Rogers cleared for action—um—um—thirteen

men on a dead man's chest— But we've promised, John, we've promised to be good. How I wish your dad could have lived to see that girl!"

"Well, I'll just hang around here for a few days to get this moral tone clinched—I'd be afraid to trust myself just yet around Wall street with all this Urban dynamite in my clothes—and then I'll sail north under the white flag. I'll wigwag you in to the finish."

"It's the most inexplicable thing, Mr. Rogers," declared the perplexed counsel of the Urban Traction company to the banker. "Here not ten days ago the Tammany people practically assured me that there would not be the slightest difficulty in getting the Bingham avenue franchise through—at the usual rates, of course—and now they're worse than lukewarm; they seem positively against the franchise."

"Perhaps it is a question of more money?" hazarded the banker.

"No, I think not. I suggested the possibility of an increased campaign contribution, but it did no good. I fear, just a bit, there is some scheme under way to take advantage of the thing themselves; perhaps the Suburban people have learned our plans and are trying to forestall us?"

"It's not that," declared the banker. "I think you'll find the gang is simply holding us up, as usual. As for the Suburban, I'm more than ever convinced that we were wise to put off buying the stock in the market until the franchise was settled. You'd better keep up the negotiations with the Tammany people a while longer before applying openly for the franchise. They'll come around with a proposition of some kind, probably."

But the Urban counsel could make no headway with the Tammany people. They were playing the game as it had been planned out for them by their good friend Joseph W. Barr, whose sterling qualities as a plunger at the race meets had endeared him to a score of powerful district leaders who frequented the tracks. To them, and particularly to P. J. Milligan, who held the below Fourteenth street in the hollow of his itching palm, Barr had outlined a course in regard to the franchise which satisfied each desire.

In the meantime, Barr had started his campaign for the control of the Suburban Trolley company. The company's capital was twenty million dollars, and the stock was selling in the market at ninety dollars a share, on the dividends of four per cent. paid by the road. To control the company it was therefore necessary to obtain something over one hundred thousand shares, which at market prices meant a cost of over nine million dollars.

It was no part of Barr's plan to pay any such sum for the stock. His careful investigation of the financial condition of the Suburban convinced him that the stock could be put down to a figure where the one hundred thousand shares should cost little more than eight million dollars, and of this amount eighty per cent., or six million four hundred thousand dollars, could be borrowed on the stock purchased. He had promised John that the road should be bought much cheaper than the Urban would have been compelled to pay, and it was a matter of professional pride to even exceed this promise.

The inquiries into the Suburban's affairs had disclosed such a decided loss in earnings through competition of a recent extension of the elevated system, that a reduction of the four per cent. dividend was inevitable at the approaching dividend meeting of the directors. This, of course, would assist in putting down the stock to seventy-five, where Barr coolly determined it should go.

In addition, the little man, whose sources of information were a matter of amazement, had discovered that the president of the Suburban, who was also one of the largest individual stockholders, was the head of a brewery which was teetering on the edge of bankruptcy; a fact which, in connection with a brewery, startled Barr even more than the unfortunate president's name, which was Schlimbinger.

To bolster up his brewery President Schlimbinger had borrowed money on his forty thousand shares of Suburban stock from two trust companies. He had borrowed to the last cent, and Barr smiled softly at the pleasing prospect of "shaking out" the forty thousand shares when Suburban tumbled.

With these facts in his possession, Barr had commissioned various brokers in his employ to pick up Suburban stock at the "market," which meant the prevailing price of ninety. He intended to "average down" this price later by purchases at lower figures. This preliminary move netted him some six thousand shares, and then he put under way a raid on all the traction group of stocks, which served the double purpose of depressing Suburban and yet of concealing the real movement against it.

The raid on the tractions began on Monday, three weeks after Barr's return from Palm Beach. It was accompanied by many lurid stories of antagonistic measures to be taken by the municipal authorities regarding franchises, collections of back taxes, suits to compel big expenditures for changes of motive power to electricity, and other inventions calculated to bring dismay to holders of traction stocks.

And all these fables, by the grace of P. J. Milligan, were backed up by the expressive silence of the Tammany city authorities.

Through these stories, and by the sheer impact of the thousands of shares of traction stocks hurled at a frightened market, Barr drove prices down notch after notch, until on Wednesday all the tractions were away off. The usually sedate Urban had lost four points, and Suburban, the object

of the drive, had fallen eight points, dropping from ninety to eighty-two in three days, while the little man's brokers gathered in sixteen thousand shares.

On Thursday morning, as Barr had foreseen, the Suburban directors met, and reduced the dividend on the company's stock from four to two per cent. On the floor of the Exchange, following this announcement, an avalanche of traction stocks, loosened from their moorings by Barr, struck the market, and the entire group fluttered toward lower figures like a mammoth balloon despoiled of its gas.

Barr was hovering over the ticker in his inner office, mopping his face as usual, when the announcement came of the Suburban dividend cut. He scanned the tape until it printed off a three-point drop in the stock, and then clapping his hat on his head he made his way down Broad street to the offices of President Schlimbinger of the Suburban Trolley company.

Once in the presence of that harassed German gentleman he came straight to the point.

"Some clients of our house, Mr. Schlimbinger, have commissioned us to try to get your holdings of Suburban Trolley. I don't know that you care to sell, and I tried to tell them that I didn't think too much of the stock as a purchase. It's lower now, as I predicted, than the figures they are willing to pay you—"

Barr fumbled about in his pocket a moment, and drew out a check.

"Yes, you've got forty thousand shares of stock. It's deposited as collateral with trust companies for loans amounting to exactly three million two hundred thousand dollars. The stock is selling now, or was ten minutes ago, at seventy-nine, which makes your forty thousand shares worth forty thousand dollars less than the amount of your loan. If the trust companies haven't already sold you out, because of your exhausted margin, on behalf of my clients I offer you this certified check for your equity over the three million two hundred thousand dollars you've borrowed."

Barr put the little piece of paper in the trembling hand of Schlimbinger. The man's face lighted up with joy.

"It's one hundred and twenty thousand dollars," he said slowly.

"Yes," said Barr bitterly; "twice too much. It's four dollars a share above the market, but they would pay it."

"My brewery it again me saves—ach Gott—sel danks." And quick tears welled to the eyes of this other Esau, who had so nearly despised his birthright for the red pottage of Suburban.

He would have wept on the bosom of Barr had not the little man so hustled him through the process of signing papers and telephoning the anxious trust companies.

That evening when he had received reports from his brokers, Barr found that the syndicate was now in possession of a little over seventy-seven thousand five hundred shares of Suburban. This included the forty thousand shares from Schlimbinger and fifteen thousand shares his brokers had garnered during the day. He sent off a telegram to John, summoning him to New York, and arranged to fill his place at Palm Beach.

Then, as if to sponge the slate clean of sentiment, he called in two of his confidential brokers and arranged for a savage attack on the whole market.

"I want Suburban to go to seventy-five by noon on Saturday," he said, with a vicious snap, and I want you to get thirty thousand shares of the stock by then."

When the Exchange opened on the following morning there was a well-defined rumor on the floor that a "big interest" in Suburban was about to be sold out by a trust company, which had loaned him vast sums of money on the stock. The rumor gained birth as it went, and its ramifications soon included a startling array of reports of failures, defalcations and general crimes against the constituted order of things.

Almost the first transaction on the floor was a sale of one thousand shares of Suburban at seventy-eight, a point under Thursday's closing price, and of three hundred, five hundred and one thousand shares lots, which broke the price to seventy-six before the end of the first hour. The floor was convinced of the truth of the story of drastic action by the trust company, especially as the selling came from brokers who often acted for it.

There was no way of telling that the stock apparently hurled haphazardly at the market simply passed from Barr's right hand to his open left through "wash" sales by brokers in his employ. Even the brokers employed did not know this, and the result was a big break in the entire market.

The tremendous selling, with the slump, had its effect. It brought forth Suburban stock from the hands of investors and speculators, who, thoroughly frightened by the panicky appearance of the market, and the wild flight downward of Suburban, threw overboard a stock which no one seemed to want at any price.

But at two o'clock there came a sudden change in the market's course. From the floor, John Willis hurried over to Barr a note, which said:

"Brokers usually acting for Rogers and Urban taking Suburban. Don't dare sell any more stocks short, and am buying back tractions to cover previous sales."

Morton Rogers and his fellow associates in the Urban Traction company had watched for some days, with growing amazement, the behavior of the traction stocks in which they were interested. So long as all the tractions hung together on the decline, they had agreed in attributing the movement to a bear raid for quick profits. When, however, Suburban Trolley cut away

from its fellows on Friday, the Urban people promptly came to the conclusion that the stock was being purposely depressed by Tammany interests, who intended to buy it low, and sell it high after the Bingham avenue franchise had been granted.

Convinced that this was the true explanation of the weakness of Suburban, Mr. Rogers and his friends immediately formed a pool to buy the stock. They were perfectly sure that Tammany interests would not be buying it unless they meant to grant the franchise. The pool was formed at one o'clock, and at two o'clock its operations had turned the tide of the market. Suburban rallied from seventy-six to seventy-eight and one-half at the close, and its rally bolstered the whole market, which had been fast slipping into a panic.

Barr had feared from the first that the low price to which he intended to drive Suburban would attract buying by the Urban interests, and he had taken his measures accordingly. In less than fifteen minutes after Willis's message reached him, two trusted clerks were on the way to Westchester county with orders to visit local holders of the stock and to buy it from them at any price. It had cost Barr one thousand dollars to secure a list of stockholders of the road.

On Saturday morning, before the opening of the Exchange, Barr's memoranda from his brokers and the two clerks showed him to be in possession of the stock and to buy it from them at any price. It had cost Barr one thousand dollars to secure a list of stockholders of the road.

The little man smiled mysteriously as he exhibited the results of his campaign to John, who had arrived that morning from Palm Beach.

"It's all right, John," he declared. "You can inform Miss Rogers, officially, if you dare, that the great matrimony syndicate is about to cash in."

Late that afternoon the resplendent but puzzled usher at the door of the United Trust company performed automatically the duty of introducing Joseph W. Barr into the private office of President Morton Rogers. As the little man passed his window the paying teller whistled softly a few musical bars which he gravely explained to his assistant were from the opera, "Pirates of Finance."

When the frosted-glass door of the private office had clicked after the disappearing form of Barr, business came to a prompt halt in the United Trust company. The third vice-president and the cashier sauntered over to the desk of the second vice-president, and, infused with a similar desire for companionship, tellers, clerks, messengers and attendants drifted into little groups.

There was an air of expectancy over all the groups. To complete the scene it needed only a half-crazed little Italian to wave a red rag on a stick and to point, frantically, appealingly, at the private office, as if within it were a thin train of powder, sizzling, sputtering, glowering its way toward its tremendous goal.

The explosion came. It was a burst of laughter that shook the frosted-glass partitions of the private office. It was followed fast by others until, rather sheepishly, the little group of auditors broke up, and the wheels of the United Trust company spun busily again, leaving unsolved the riddle of the private office.

Within that was presented the pleasing sight of a thin, elderly gentleman, with Dundreary whiskers, engaged in a vain attempt to keep on his Roman nose eyeglasses which bounded off and away with each of many peals of laughter, and opposite him a fat, little man, interminably engaged in mopping his wet cheeks with handkerchief ends, and saying things which seemed calculated, very possibly, to prolong the mirth of the other.

"My own daughter—Elizabeth," gasped Mr. Morton Rogers, coming out of a convulsion to fall hopelessly into another.

"Yes—and my boy—John," groaned Joseph W. Barr, almost smothering himself in the mopping process.

"Bought control of the Suburban for eight million dollars—sell it to me for the same—we expected to pay nine million five hundred thousand dollars at least." And another gale bowled over the Urban magnate.

"Not quite control. You spoiled our game on Friday. Lack two hundred shares." And there was subtle flattery in Barr's words. "You've got the syndicate at your mercy."

"And the Bingham avenue franchise?" queried the banker, adjusting his glasses at last.

"The syndicate put P. J. Milligan short of twenty thousand shares of stock and covered it three points lower on the break, netting him sixty thousand dollars. Here's his receipt:

"Where's there a cave to stow away all this dough? Bingham franchise goes through on Monday—more dough—from the Urban. Do you want the city hall for a branch office?"

"Hum—um," commented the banker, doubtfully. "More dough—from the Urban."

"Well," said Barr, reassuringly, "I won't put in any bill this time."

"Good," said the banker, with a sigh of mock relief. "The syndicate's offer is accepted."

"In toto?" queried Barr, with feigned anxiety.

"In toto," answered the banker. "The young scamps."